REMARKS

Applicants respectfully request reconsideration of this application as amended. Claims 1-7, 9-13, and 15-22 remain pending in the application. Claims 1, 2, 5, 9-13, 15, and 22 have been amended. Claim 23 has been canceled without prejudice. Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached page is captioned **"Version with markings to show changes made."**

Claims 1-7, 9-13, and 15-23 were rejected under 35 USC §103(a) as being unpatentable over Franklin et al, US Patent number 6,055,518 ("Franklin") in view of Halbert, US Patent number 6,101,484 ("Halbert"). Applicants traverse the rejection.

Franklin discloses a secure auction system by which clients or bidders can issue secret bids to auction servers for an advertised auction. [Column 2, lines 22-25]. Once the bidding period is closed, the auction service opens the bids, determines the winning bids, and provides the winning bidder with a ticket for claiming the item bid upon. [Column 2, lines 25-28]. Using cryptographic techniques, the secure auction system is constructed to provide strong protection for both the auction house and correct bidders. [Column 2, lines 28-30]. Specifically, the bids of correct bidders are not revealed until after the bidding period has ended, the auction house collects payment for the winning bid, losing bidders forfeit no money, and only the winning bidder can collect the item. [Column 2, lines 33-37].

The Office Action gives special attention to the Halbert reference stating that previous arguments "have been considered but are moot in view of the new ground(s) of rejection based on Applicant's submission of" the Halbert reference. Halbert is a dynamic market equilibrium management system that is especially adapted for the sale of goods and services through an online buying group formed for the specific purpose of purchasing a particular product. [Abstract]. Specifically, the Halbert reference discloses a

method and apparatus to globally locate, encourage and enable all buyers wishing to purchase a particular product or service within a given time frame to join forces in a buying group ("co-op") formed specifically to accomplish the desired purchase. The co-op enables individual buyers to leverage their combined purchasing power to achieve an economic bargain far superior to that attainable by any one buyer acting alone. [Column 1 lines 17-35].

This is not the same as the programmable auction server of claim 1. The programmable auction server of claim 1, as amended, allows a user to configure a universal auction system to perform specific auction functions. Such a system will allow a user (e.g., market designer) to build a customized auction system without engaging in lengthy software development. For example, the programmable auction server of claim 1 allows "a bid verifier to determine the eligibility of one of a plurality of traders to the universal auction system based on previous auction history." Also, the programmable auction server of claim 1 allows "a bid transformer to transform a submitted bid of one of the plurality of traders."

Neither Franklin nor Halbert or any combination thereof teaches the limitations of a programmable auction server, as claimed. Rather, as stated, Franklin teaches only how to conduct a secure auction having closed bids and Halbert does not address the configuration of a programmable auction system nor does Halbert discuss functions of an auction in particular. Accordingly, the Applicants respectfully request the withdrawal of the rejection to claim 1.

Claim 15 recites a method of designing a universal auction system where a market protocol is received from a market specification console that defines functions of the universal auction system. Market protocols define at least one function of an auction that a user (e.g., a market designer) could configure. For example, a user may specify the minimum increment and start time in an English auction classification or the user may configure the circumstances when a bid from a trader qualifies as a bid under a set of

rules based on a specific auction classification. Furthermore, specific auction modules may be generated based on the configured market protocol to implement auction transactions in the universal auction system. For example, a user may have configured a market protocol that generates an auction module to transform a bid based on a predetermined set of discriminating allocation market protocols, such as, to transform the submitted bid of a specific trading identity (e.g., Trader A) by 10% when the bid is received during an auction.

Neither the combination of Franklin nor Halbert teach or suggest a manner to design a universal auction system with market protocols, as claimed. Accordingly, the Applicants respectfully request withdrawal of the rejection of claim 15.

Claim 22 claims a system having a market specification console and a programmable auction system to configure and implement a universal auction system. Specifically, one or more trading primitives of a market protocol are configured by a user at the market specification console to dictate the behavior of the universal auction system. The market specification console transfers the market protocol to the programmable auction to implement the universal auction system.

Neither the combination of Franklin nor Halbert teach or suggest a market specification console nor a programmable auction system, as claimed. Accordingly, the Applicants respectfully request withdrawal of the rejection to claim 22.

Claims 2, 5, 9-13, and 16-21 are dependent on one of the independent claims 1, 15, or 22. Therefore, at least for the reasons stated above, the Applicants respectfully request the withdrawal of the rejections to the claims 1-7, 9-13, and 15-22.

Conclusion

Applicants respectfully submit that the rejections have been overcome by the amendments and remarks, and that the Claims, as amended, are now in condition for allowance. Accordingly, Applicants respectfully request the rejections be withdrawn and the Claims as amended be allowed.

Invitation for a telephone interview

The Examiner is invited to call the undersigned at 408-720-8300 if there remains any issue with allowance of this case.

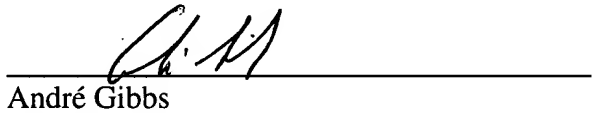
Charge our Deposit Account

Please charge any shortage to our Deposit Account No. 02-2666.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Date: October 29, 2002



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VERSION WITH MARKINGS TO SHOW CHANGES MADE

In the Claims:

Claim 23 has been canceled without prejudice.

Claims 1, 2, 5, 9-13, 15, and 22 have been amended as follows:

1. (Amended three times) A universal auction system having a programmable auction server, the programmable auction server comprising:

a plurality of auction modules to be configured by a user to deploy the universal auction system, wherein at least one auction module corresponds to at least one function of an auction selected from the group consisting of

a bid verifier to determine the eligibility of one of a plurality of traders to the universal auction system based on previous auction history,

an information manager to provide information to be released by the universal auction system based on an auction classification,

a clearer to implement a clearing calculation based on a discriminating allocation policy,

[a registration manager,]

a bid transformer to transform a submitted bid of one of the plurality of traders, and

a proxy bidder to automatically submit a bid of a trader. [the bid transformer to implement at least one of a predetermined set of discriminating allocation market protocols.]

2. (Amended twice) The programmable auction server as in claim 1, further comprising:

auction modules wherein at least one auction specification module performs at least one transaction selected from the group consisting of

a bid verification transaction to determine where the submitted bid qualifies based on the bidding rule,

an information management transaction to present the submitted bid via a user interface,

a clearing transaction to clear the submitted bid, and

a bid transformation transaction [, and a registration transaction].

5. (Amended Twice) The programmable auction server as in claim 1, at least one phase consisting of an interval in which at least one transaction occurs, the transaction is selected from the group comprising submitting a bid, admitting a bid, withdrawing a bid, [and] replacing a bid, and transforming a bid.

9. (Amended Twice) The universal auction specification system as in claim 22, the market specification console further comprising a plurality of rules wherein at least one rule is user-modifiable.

10. (Amended) The universal auction specification system as in claim 9, wherein rules comprise the market protocols.

11. (Amended twice) The universal auction specification system as in claim 8, wherein [the market specification console is coupled to a programmable auction server wherein said programmable auction server is adapted to receive market protocols from said market specification console,] the market specification console [having] includes a graphic user interface (GUI) to configure the market protocols.

12. (Amended) The universal auction specification system of claim 11, wherein [a trader interface is coupled to a network] the market protocols are predefined in parameterized form on the graphic user interface and the user inputs values of its free parameters of selected market protocols.

13. (Amended) The universal auction specification system of claim [12] 11, wherein [the trader interface is used by a trader to submit a bid] the user defines arbitrary market protocols via the graphical user interface.

15. (Amended three times) A method of designing a universal auction system comprising:

receiving at least one market protocol from a market specification console, the market protocol to define a function of the universal auction system,

generating a plurality of auction modules in a programmable auction server based on the market protocol received, wherein at least one auction module corresponds to at least one function of an auction selected from the group consisting of a bid verifier to verify a submitted bid, an information manager to provider information of the submitted bid, and a clearer to clear an auction[, and a registration manager]; and

implementing at least one transaction selected from the group consisting of a bid verification, and a bid transformation, wherein the bid transformation is based upon one of a predetermined set of discriminating allocation market protocols.

22. (Amended) A universal auction specification system comprising:

a market specification console configured to receive at least one market protocol from a user, the market protocols including a trading primitive that the user configures to dictate the behavior of the universal auction system; and

a programmable auction server coupled to the market specification console via a network connection, the programmable auction server to receive the market protocols defined by the market specification console, the programmable auction server to implement at least one of the trading primitives to deploy and manage the universal auction system.

[which includes a bid transformer that implements arbitrarily established discriminating allocation market protocols specified by at least one trading primitive, a bid verifier that determines acceptable bids, and a script interpreter for interpreting script protocol; and

a market specification console, connected to the programmable auction server during a network interaction, adapted to support a plurality of discriminating allocation market protocols, and the market specification console includes a script generator for translating trading primitives to temporal protocol script.]